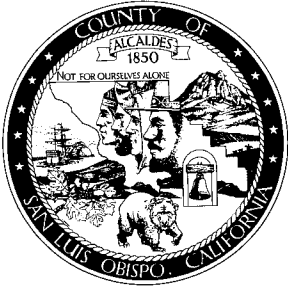


**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services		(2) MEETING DATE May 9, 2006		(3) CONTACT/PHONE Duane P. Leib (805) 781-5200		jg
(4) SUBJECT Lopez Lake Concessionaire Audit conducted in December 2005 by the Auditor-Controller's Office and submitted to your Board on January 24, 2006.						
(5) SUMMARY OF REQUEST Response to Lopez Lake Concessionaire Audit conducted in December 2005 by the Auditor-Controller's Office and submitted to your Board on January 24, 2006.						
(6) RECOMMENDED ACTION The Department of General Services requests your Board receive and file this response to Lopez Lake Concessionaire Audit conducted in December 2005 and submitted to the Board on January 24, 2006.						
(7) FUNDING SOURCE(S) N/A		(8) CURRENT YEAR COST N/A		(9) ANNUAL COST N/A		(10) BUDGETED? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): Auditor-Controller's Office						
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____						
(13) SUPERVISOR DISTRICT(S) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input checked="" type="checkbox"/> All				(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A		(15) Maddy Act Appointments Signed-off by Clerk of the Board
(16) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)				(17) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input checked="" type="checkbox"/> N/A		
(18) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A				(19) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) _____				(21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		(22) Agenda Item History <input type="checkbox"/> N/A Date 1-24-06
(23) ADMINISTRATIVE OFFICE REVIEW <div style="text-align: center; font-size: 2em; font-family: cursive;">Release</div>						

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5-9-06



COUNTY OF SAN LUIS OBISPO

Department of General Services

COUNTY GOVERNMENT CENTER • SAN LUIS OBISPO, CALIFORNIA 93408 • (805) 781-5200

DUANE P. LEIB, DIRECTOR

TO: BOARD OF SUPERVISORS

FROM: DUANE P. LEIB, GENERAL SERVICES DIRECTOR

Duane Leib by Jim Smith

DATE: MAY 9, 2006

SUBJECT: BOARD REFERRAL, LOPEZ LAKE CONCESSIONARE AUDIT

RECOMMENDATION

On January 26, 2006 your Board considered the Auditor-Controller's audit of the Lopez Lake Marina Concession. The original audit recommendation and the General Services response were approved as a consent item with a recommendation that an update be provided to the Board in four months to insure audit compliance.

DISCUSSION

There were two findings in the January 24th audit of the Lopez Lake Concessionaire that General Services has reviewed and can respond as follows:

1. Vending Machine Revenues – The finding was that the concessionaire had been reporting only 50% of the revenues generated from the vending machine operations. The concessionaire had made an agreement with the vending machine operator to split the proceeds from the machines; a common arrangement in this type of enterprise. General Services agrees with the recommendation that total receipts from the vending machine operations be used in calculating rent due the County, as stated in the contract. A letter was sent to this concessionaire stating that they shall comply with the contract and provide an accounting for all revenues generated from the vending machines. The concessionaire responded and agreed to begin compliance as of February 1, 2006.
2. Annual Preventative Dock Maintenance – The finding was that the County had not performed an annual maintenance to the dock as prescribed by the contract. General Services agrees with the recommendation that an annual preventative maintenance be performed. The docks were inspected in December 2005 and scheduled maintenance was performed on January 24, 2006.

OTHER AGENCY INVOLVEMENT

Auditor-Controller's Office has reviewed the Board referral.

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FINANCIAL CONSIDERATIONS

Revenues from the vending machines should increase slightly. Annual dock maintenance costs are \$3,775.

RESULTS

This action documents General Services compliance with the Auditor's recommendations and will close the four month referral with the Board of Supervisors.

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